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MARCH - APRIL 1992

SALES DEPARTMENT  
R.J. REYNOLDS TOBACCO CO

## SALES MERCHANDISE

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## A Rewarding Experience

Preparation and planning are key elements in our transition to a market driven sales organization. The planning process has been decentralized, giving divisions the responsibility to design their own individual work plan based on brand opportunities in each and every call. Account Specific Marketing gives us the ability to drive our business at retail where the business is won or lost.

As we become market driven in our strategic planning, we have also embarked on an ambitious undertaking in training to make us "skills" driven in the marketplace. In this issue of the Sales Merchandiser, our commitment to training has been outlined for the next several years. We are investing both time and money to prepare the way for everyone in the sales organization to achieve the highest degree of professionalism. Our training and development team has devel-

oped a unique blend of training courses to put you head and shoulders above your competitors, and keep you there.

Learning new skills is a rewarding experience. It elevates the importance of your value to the company. It builds confidence in your ability to take on tough challenges and win. It gives you the opportunity to achieve your career and personal goals.

As we move forward with the various training programs, I urge you to take full advantage of the opportunity for your personal gain, and for the long-term benefit of the entire company.

Sincerely,

Yancey W. Ford, Jr.  
Executive Vice President—Sales



### ON THE COVER:

Sales Representatives Carol Martin and Bill Wiseman of the North Pittsburgh division use the Account Specific profile to identify brand opportunities during ASM training. Instructor Walt Thompson (standing) provides helpful coaching.



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**“The key  
isn’t to make  
you work  
harder;  
it’s to enable  
you to work  
smarter.”**

*Jim Maguire  
Director of Sales and Marketing Personnel*

When Yancey Ford, executive vice president, sales, announced in January that decision-making authority was being transferred from Winston-Salem to the field, his remarks met with applause and approval. However, the transition from sales managers to business managers was not expected to be a smooth process. Authority has an inherent element of risk, and the concept of “It’s Your Call” can be somewhat overwhelming. Recognizing this fact, preparations had already begun to develop new training programs which would be the underpinning during this critical transition.

RJR’s commitment towards training and development is evident through an \$11 million budget dedicated for this purpose. The financial investment is followed up with another essential investment—time. The company realized that dollars alone were inadequate unless a comparable time endowment was made for field personnel to attend new courses and acquire new skills. The time investment was as critical as the monetary one, if the company was to realize the benefits of and truly capitalize on decentralizing.

Jim Maguire, director of sales and marketing personnel, acknowledges the magnitude of the challenge involved in training or re-educating field personnel. He readily admits that “this journey will be long and arduous.” Yet, he believes that RJR’s sales force has the talent, ability, and inner fortitude necessary to evolve into an independent, functional arm which will strengthen the company’s market share.

According to Maguire, “In the past, the company ran its business from a traditional, national perspective instead of aggressively seeking local, business-building opportunities. Our training programs were developed in the 1970s and 1980s and reflected that mindset. Account Specific Marketing has changed many attitudes because it requires the individual to exercise an innovative responsibility in identifying and



exploiting opportunities."

However, care was taken not to throw out the baby with the bath water. Prior to initiating any changes, a training needs analysis was conducted to analyze and evaluate the company's traditional training program. Some of the comments they received from field sales were revealing:

- little or no training for people with at least two years' experience in sales;
- no training for region managers;
- a fire-fighting culture which left no time for training;
- training program in place was ineffective.

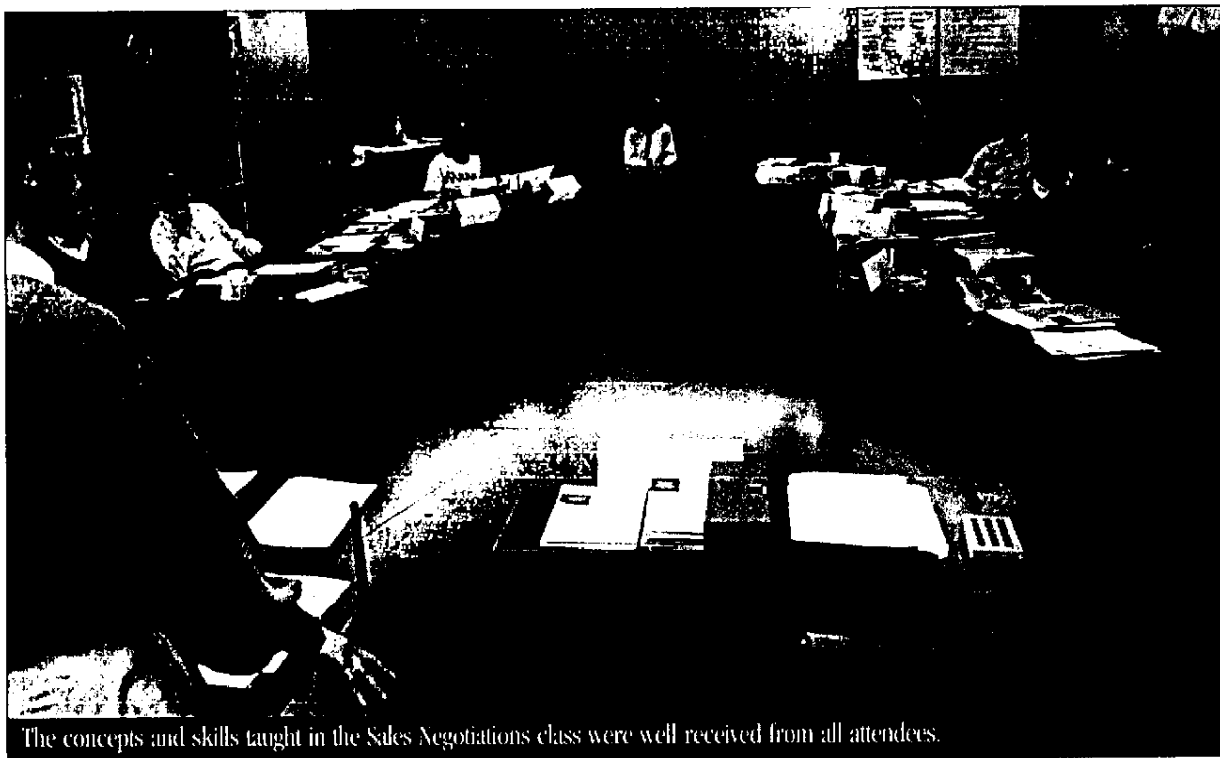
Simkins, John Barnhardt, Mark Paulson, Bob Snow, and Susan Prevette.

One of the first new programs developed and introduced to the field in 1991 was Professional Sales Negotiations. Attendees of this program have included all levels of field management, from division manager and up through the sales organization, with plans underway for key entry-level managers to go through this program as well. In addition, the Home Office sales staff and marketing personnel were encouraged to attend Sales Negotiations, as well as any other courses which are developed.

immediately transferable to my job."

Rich Kane, region manager, Boston region, also feels that negotiating skills will be a real asset. "With all the changes happening out in the field, it's vitally important that we have the right training tools at our disposal. With the company committed to identifying and teaching the skills we need, a synergy is developing that is unbeatable. Sales Negotiations is just another example of R.J. Reynolds empowering its people."

Business Planning and Account Development will explore accounts from a functional basis so RJR gets a more complete



The concepts and skills taught in the Sales Negotiations class were well received from all attendees.

tive and out of touch with the realities of today's marketplace.

According to Maguire, concerns about the current training program were confirmed by this analysis. To address these problems, Tom Renehan was chosen group manager, sales and marketing training and development, to oversee the development of new programs, revitalize current programs and provide direction to trainers. Renehan's staff is comprised of individuals who have demonstrated they can meet and surpass the challenges of the newly focused training and development program.

His staff includes Mark Hirsch, Barbara

The importance of Sales Negotiations cannot be overstated, as the skills taught will enable managers to get the most for their money when dealing with chain accounts. Feedback from participants in the Sales Negotiations workshop confirms this point.

John Kaletsis, sales information manager in the Midwestern sales area office, said, "The skills taught in this program are more than just applicable to negotiating with a customer. I can use negotiating skills in day-to-day situations at work and personally. I feel confident I'll be a better manager because of this workshop. It has given me some effective and practical skills which are

picture of their business. The skills acquired will allow lateral, vertical and horizontal penetration into chain accounts. These skills will give RJR a definitive edge over competition because they enable RJR people to help their accounts plan their cigarette business for the short- and long-term.

Developed by the training group, an important test of its effectiveness was two pilot classes, conducted in the field, with 25 RJR participants. Their input was critical to successfully developing Business Planning and Account Development.

One of the participants, Alan James, di-



Role playing and hypothetical situations allowed participants to quickly understand and apply negotiating skills.

vision manager, New Orleans, La., division, spoke enthusiastically about the pilot. "This course will be of great value because you not only study organizations in a broad context, you also determine the power structure and learn to identify and call on the right people according to their specific function."

Pat O'Mara, chain accounts manager, Raleigh, N.C., chain division, added that the course provided, "... a lot of great information on how to structure your strategy towards your accounts."

Problem Solving/Decision Making should be introduced in 1992, and, no doubt, will be greatly welcomed by the sales force. Renehan says, "We like to think of this course as providing proven techniques for reaching sound business decisions, both as individuals and within teams."

Strategic Leadership, scheduled for early 1993, is planned for higher level sales management. The emphasis is on developing an


overall view of the tobacco business and the Sales Department's role in moving the business in the right direction.

Expectations are also high for the new courses in the planning stages. Time Management is one such program and will not only offer suggestions to manage time, but will also offer ideas to help participants become better organized, set priorities, and avoid burn-out.

Another course being developed for regional managers and chain accounts managers is Strategic Alliances. Renehan says, "This course will allow creative opportunities for the regional managers and chain accounts managers. No doubt, it will prove invaluable by offering suggestions aimed at developing special relationships with certain accounts with whom RJR shares mutual goals."

Another 1993 course is Advanced Business Development. This course will explain the fundamentals of financial strategies, both from a trade and RJR perspective. Participants will learn about such functions as market analysis and business development.

And that's not all. 1994 will see the roll-out of more new courses, such as Problem Solving for Sales Representatives, Category Leadership, Advanced Communications, and Team Building and Multi-Function Teams.

To summarize, Maguire points out, "Without a doubt, our sales force is tough and competitive. So, the key wasn't to encourage them to work harder; we had to enable them to work smarter. With an \$11 million budget and a firm commitment to allow the time needed for our people to take the classes, the training and development program represents a major RJR investment, the success of which will be evident for years to come." 

*Mark Young, regional manager, New Jersey region, and Rebecca Fullton, area manager, finance, North Atlantic sales area, listen intently during the Sales Negotiations class.*



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# ASM Training Completed

Within a four-week time span, all field sales representatives and their managers learned the true meaning of "It's Your Call" at retail through Account Specific Marketing Training.

While everyone in the field was familiar with the concept, they needed a common understanding of Account Specific Marketing, and the significant part that each individual within the field sales organization plays in building market share at the expense of the competition. The training focused on evaluating the potential for RJR brands in each call using an Account Specific Profile.

The training sessions stressed accuracy in determining the top 25 brands in each call. Information is currently being gathered by all levels of the organization for input into the sales information system by May 1992. This information will be used to produce Account Specific Profiles from statistical information on brand style, share of market and demographics in the retail marketplace.

The profile is a tool which will assist sales representatives in making decisions on an

individual account basis. It will be used along with the individual's market knowledge and judgment to identify the RJR brand families and styles with the greatest potential. The profile also contains all of the information currently on the sales representatives' Account Master List. The Account Specific Profile is, therefore, the key working tool for sales representatives to make better Account Specific decisions.

Like most of the divisions across the country, the North Pittsburgh division held their Account Specific Marketing training in conjunction with the Pittsburgh region annual meeting. The training instructors were Walt Thompson, division manager, Toledo, Ohio, division, and Kevin Satchell, training and development manager in the Charleston, W. Va., division.

Because Account Specific Marketing represents a major transition from a rigid and tightly controlled sales force, to one with flexibility and decision-making authority at retail, acceptance of the transition was a vital part of the training process.

The North Pittsburgh division is perhaps one of the most senior divisions in the country. Seven of its 11-member sales force are seasoned veterans, averaging 28 years' service with the company. They enthusiastically took on the challenge of making it their call at retail, and they were quite outspoken about it.

Bill Wiseman, a 25-year veteran, had praise for the training that "puts the power in my hands. It's very exciting to be able to do this," Wiseman said. "If you have the

right information for each call, it can only help to build our share and profits."

Charlene Vizza, an eight-year veteran, looks forward to the flexibility provided by Account Specific Marketing. "Before, our hands were tied. Now we can be creative, make decisions and see the results. That's motivating!"

With the completion of Account Specific Marketing Training, managers attended follow-up sessions to help in making the transition from a directive style of management to a more supportive style of management through the use of coaching skills. Thus, the progress toward decentralization took a major step forward, making the manager/sales representative relationship a team effort in the true spirit of "Team RJR." ®



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# TRANSPLANT!

For over 15 years, Area Sales Representative Charles Mehler, of the Roanoke, Va., division, felt that he worked with a decent group of people and for a good company. He received proof of both the integrity of his co-workers and RJR in an unexpected way.

When January 1990 arrived, Mehler ushered in the New Year and new decade as a happy 40-year-old husband and father of three. However, after experiencing a heart attack and valve replacement surgery the year before, he had a time bomb ticking inside his chest which was about to explode. That time bomb was his heart and his time was running out. Because of the damage to his heart, Mehler had only one option—heart transplant.

In March 1990, Mehler checked into Fairfax Hospital for evaluation, little dreaming that he would be there until June. His heart was in such bad condition that he was immediately hooked up to a machine which stabilized his erratic heartbeat.

Mehler says, "The wait for a donor was a terrifying experience. On the one hand, I was anxious for a healthy heart, but I knew that heart would be coming to me out of a tragic experience for another family. I was on a waiting list along with other patients at the hospital, and some of these patients lost their jobs while they were in the hospital. To lose your job would be a devastating experience, but for a company to let you go while you're fighting for your life shows a callous disregard for your employ-

ees. With a few smiles, Mehler pauses. That was a worry I never had to face.

Mehler speaks of the support he received from the Roanoke division and their genuine concern for his health. Secretary Pat Humphreys called often to find out whether a donor had been located. Division Manager John Bell kept in touch and once drove Charles' wife to the hospital, which is several hours from Lynchburg. Region Manager Bill Reece, Chain Accounts Manager Ron Germaine, Training and Development Manager Gary Jennings and Area Sales Representative Frank Moon also stayed in touch with Mehler.

"Their concern meant so much to me," Mehler says. "And they all stressed for me not to worry about my job—just concentrate on getting through the surgery."

When a donor heart was found, the doctors wasted no time. The surgery took over six hours, and Mehler faced a long recovery, with the fearful reminder that his body could reject his new heart. "I am so very appreciative of the efforts of the doctors, nurses and staff at Fairfax Hospital, and I am especially grateful to the family of the donor," Mehler says.

Mehler was finally able to leave the hospital in June 1990. "Worry was a constant companion because I had too much time to think about what I had been through. Because I had been bedridden for over three months, I literally had no strength or endurance. It agonized over what would happen if my body showed signs of reject-

ion. My doctors, who had warned me about this possibility, still check me every three months to ensure my body isn't rejecting the heart. And I wasn't the only one feeling the stress. My wife, Barbara, had been shouldering the responsibilities of running the household and looking after our three children while teaching. I don't know how she was able to cope," Mehler asserts.

He is convinced that he owes a great debt to his family, friends, and co-workers for all of their support. "John Bell's attitude, along with my co-workers, during my convalescence was terrific. He stressed to me to take my recovery one day at a time and not to rush my progress. Yet, his remarks doubled my determination to get back to work as soon as possible. I had been given a second chance, and I discovered many things about myself while lying in that hospital bed. I loved my life. All of my life. I loved my wife and children. I loved my job. And I wanted to get on with living my life."

On September 25, 1990, almost four months after his heart transplant, Charles Mehler returned to work. The message Mehler wants people to remember from his story: "If you have a heart murmur, talk to your doctor to see if you need antibiotics prior to any surgery or dental work, including having your teeth cleaned. I'd also like to ask everyone to consider becoming an organ donor. Unless you have faced such a crisis, you can't imagine the agonies of being a number on a waiting list for a heart or some other vital organ."



# Winston Select Breaks New Ground

Winston Select, a totally new class of cigarette designed to significantly broaden appeal of the Winston family, has been introduced nationally with a number of "first time" initiatives in its favor.

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## A Benchmark for Future Introductions

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"We like to think that the Winston Select introduction sets a benchmark for all future brand introductions to follow," said Bryan Stockdale, senior manager for the Winston brand business unit. From a field sales perspective, launching Winston Select was accomplished with the maximum amount of sales input and involvement. "We got the field involved early in the planning process," said Stockdale. "We knew going in that sales execution was critical to the success of Winston Select, and we wanted them to be involved in the decisions."

In all, 64 field managers and sales representatives representing the St. Louis, Philadelphia, Birmingham, Buffalo, Chicago, Richmond, Houston, and New Jersey re-

gions took part in the planning process. Stockdale, together with John Drew, made personal visits to the regions or asked for written recommendations. At that point, the field contacts had a voice in determining the types of P-O-S material and promotions for the introduction.

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## Field Sales has Sense of Ownership

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John Drolette, region manager, St. Louis region, was impressed by the effort put forth by the Winston group in soliciting feedback from the field. "We are a marketing company and being exposed to the marketing plan in the early stages was a learning experience for everyone at our meeting," Drolette said. "That kind of working relationship between sales and marketing builds confidence in our team effort. All of my people now feel a sense of ownership with Winston Select and when you have ownership, you have commitment."

Having gained the input from the field, there was still another twist developed for



the Winston Select introduction. Each region was given a budget, and based on their budget, they could have their division managers select the P-O-S pieces and quantities that best fit their market. "In the past, we applied a one-size-fits-all mentality to P-O-S," said Bill Duffy, sales manager for the Winston business unit. "As a former division manager, I know that the field is in a better position to determine what they can place in their calls."

"Allowing the field to select their P-O-S benefits everyone," Stockdale added. "The field gets what they really need, and the company saves money by producing only what is needed."



Another first for Winston Select was utilizing the annual region meetings to unveil the brand's introductory plan to the entire sales force. At Yancey Ford's suggestion, time was allotted for the region managers to present the brand at their meetings, with support from a Winston business unit manager who attended each of the meetings. In addition, the regions received a selection of advertising, display and promotion pieces to showcase at the breakout sessions.

"This proved to be an ideal setting for us to present the Winston Select proposition," said Stockdale. "The annual region meeting is the main format to present new ideas or unique programs. Being a part of that meeting just added to the excitement we hope to stimulate in the field."

#### A Promising Future for Select

But, if breaking new ground is the opening chapter in the Winston Select story, the second chapter, beyond the introductory phase, holds much anticipated promise. Twenty-six percent or more of Select's business is expected to come from Marlboro. In terms of potential, Select is expected to contribute much to stabilizing the entire Winston brand family, leading to future growth.

"Having field sales' commitment to the brand, we can anticipate a high degree of retail distribution and brand awareness," said Lynn Beasley, vice president of the

Winston business unit. While it is expected that some current Winston smokers will switch to Select, Beasley contends that switching within the brand is a positive rather than a negative. "We want to keep Winston smokers in the Winston family. That's the only way to build our total Winston business."

#### Full Media, In-store Advertising and Promotion Support

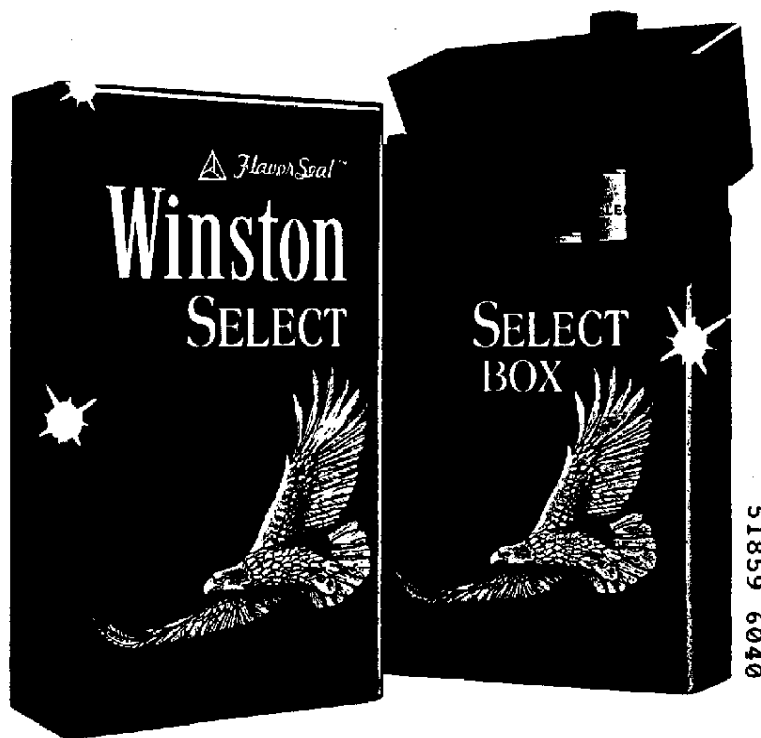
Brand awareness, plus distribution, are the most important elements in a cigarette brand introduction. Field sales plays a vital role in both. However, the sales role must be supported through media advertising, including billboards and magazines. In addition, the field must have creative, eye-catching, in-store advertising, temporary displays and promotions to draw smokers to the brand. Winston Select provides all of these elements in heavy doses throughout the introductory period.

In addition to an aggressive outdoor and print advertising plan, Select will reach several million Marlboro smokers through

a direct marketing program, providing trial offers to adult smokers. "We designed our P-O-S and high impact pieces, including neon signs, to gain maximum exposure at retail," Stockdale said. "Plus, we have quality promotions to go with the quality image associated with Select."

#### The Baton is Passed to the Field

After the meetings, the planning, and development of support materials comes the grand debut—the introduction to the retail trade and smokers. The up-front cooperation between marketing and sales continues, but the major role shifts to the sales force. "We have passed the baton to sales," Stockdale said, "and we have the utmost confidence they will surpass all expectations." ✎





The Winston Select presentations at each of the region meetings held in January prompted a number of questions. Winston business unit managers attending the meetings selected several frequently asked questions. These questions, with the appropriate answers, are provided to broaden your understanding of the brand's positioning.

**QUESTION:** Why do current Winston and Winston Select feature the same product attribute "smooth and rich taste" on the packaging? If there is a point of delivery difference, why the same packaging?

**ANSWER:** The front panel copy "smooth, rich taste" is an apt description of the Select taste delivery. That copy already was on all existing Winston styles; therefore, it is true that, in terms of front panel copy, there is not a clear distinction between the taste signature of Select and Winston.

**QUESTION:** Why is Select printed on the cigarette barrel instead of Winston Select?

**ANSWER:** We did test "Winston Select" with the full name printed on the barrel. However, printing the full name looked much too busy. Therefore, a change was made in time for introduction. It was decided to go with "Select" instead of "Winston" to underscore that this is a different product from the parent Winston brand.

**QUESTION:** How is Winston Select to be positioned within the Winston family? Will Winston franchise smokers think that Select is supposed to be better than their usual Winston brand?

**ANSWER:** Select is positioned as a new product from Winston that offers competitive smokers a high-quality image and a completely different taste from Winston King. It is different, not better, than parent Winston. To make sure that our franchise smokers did not get the wrong impression, we did extensive research—all of which indicated that, while many franchise smokers find the Select proposition appealing, Select did not detract from Winston King in their minds. We expect many franchise smokers to try Select, and while some of them may prefer the Select taste, many of them will most likely stay with Winston King because of its more full-bodied flavor.

**QUESTION:** Confusion exists on utilization of Winston Select and Camel Wides concerning consumer mission offers. How do we decide whether to utilize Winston Select or Camel?

**ANSWER:** Camel Wides offers should be aimed primarily at male Marlboro smokers, while Select should be focused against both male and female Marlboro (and B&H) smokers. In either case, if the smoker rejects the first offer, then the alternative brand should be offered. In other words, if a 21-year-old male Marlboro smoker rejects the Wides offer, he should next be offered Select—and vice-versa. There is some overlap in the competitive smoker groups, and it will not always be easy to decide which offer to make. Keep in mind that Wides' key benefit is a unique, visually different cigarette

that fits into the whole Camel personality, whereas Select has a very premium-oriented image that more directly speaks to highest quality and taste.

**QUESTION:** Is Winston Select the same to Winston as Salem Box was to Salem? How will Winston Select stand alone?

**ANSWER:** Winston Select does offer a very different taste from regular Winston just as Salem Box product was different from Salem. In the case of Select, a great deal of effort was made with the packaging design and advertising to underscore that Select is a different kind of Winston. The "Select" name was added to emphasize that difference, whereas with Salem, there was no such additional modifier. Everything we've seen to date indicates that Select does stand on its own as a highly appealing proposition.

**QUESTION:** What are we doing to reach competitive smokers, especially Marlboro smokers?

**ANSWER:** Prior to the national introduction of Winston Select, we mailed two packs of product to well over a million competitive (predominantly Marlboro) adult smokers. We invited them to try the brand and then tell us on a survey form how Winston Select compared with their present cigarettes. This survey gave us a list of smokers who are high potential switchers to Winston Select, and we are following up with continuing trial offers to this target group. ♣

**PUBLIC**

# ISSUES

## Michigan Field Sales, Retailers Unite for Smokers!

When field sales join forces with retailers, wholesalers and smokers, they can make a difference in defeating tobacco merchandising restrictions. That was the lesson that emerged from the recent battle in Ingham County, Mich.

In August 1991, the Ingham County Board of Health drafted a strict smoking ordinance. Among its provisions was a county-wide ban on self-service cigarette displays. If passed, this proposal could have had a serious economic impact on Ingham County retailers. Under the terms of this proposal, all single packs and all packages containing fewer than five packs would have to be behind the counter. Only cartons would be allowed in free-standing floor displays. Smokers would no longer be able to grab a pack or two and quickly go through the checkout line.

Merchants could easily predict the impact of this ordinance. Their adult smokers would be inconvenienced and would miss the P-O-S promotions that often accompany single-pack displays. The result would be lower revenues for retailers—and no more manufacturers' display payments.

Fortunately, the Michigan field sales team learned about the threat early. Lansing Division Manager Dave Palmer, Chain Accounts Manager Dennis Bellinger and the other area managers quickly alerted retailers. They explained how the proposal

would hurt their bottom lines. For greater leverage, they joined forces with RJR's Public Issues Department, Public Issues Field Coordinator Toby Spangler, local smokers' rights groups, and the Tobacco/Candy Wholesalers Association. Together, the allies began phoning and writing the Board of Health to protest the display ban. At first, their efforts seemed futile. The Board held only one public hearing before forwarding the proposal to the County Board of Commissioners.

However, on February 3, 1992, when the County Commissioners' Human Resources Committee held its public hearing on the issue, merchants and smokers alike voluntarily showed up. Some spoke out against the ban, and many provided written testimony for the committee members.

In the month before the next hearing, Michigan field sales urged retailers to play a more vocal and visible role, including keeping in touch with the commissioners.

At the Human Resources Committee's March 17 public hearing, 16 retailers spoke out forcefully against the display ban. Committee members heeded the merchants' testimony. One commissioner, an anti-smoker, said that she had received so many calls and letters from retailers that she felt compelled to take their views into consideration. Originally, she'd planned to support the display ban; however, in the end, she voted

to reject it.

By the end of the hearing, the committee voted four to three to remove the display ban from their smoking ordinance. Although several more meetings are scheduled prior to the Committee's final decision, it appears that the merchants got their point across to the committee.

Dennis Bellinger credits Michigan's dedicated sales team for this successful outcome. "They've been on top of it from day one," he says. "They did whatever they needed to do—from letting retailers know what was going on, to encouraging them to voice their opinions."

Detroit Region Manager Don Knoll agrees. "I can't say enough about the efforts of both Chain Accounts Manager Dennis Bellinger and Division Manager Dave Palmer," he says. "They realized the magnitude that a restriction on self-service at retail would have for our business. And they went the extra mile to convince the retailers of the impact the legislation would have on their business."

Bellinger feels great about the results to date. "When you have a coalition of committed people, united in a real team effort," he says, "good things are bound to happen."



# OPEN LINE

## COMMENTS QUESTIONS SUGGESTIONS

### COMMENT

I have a large jobber that supplies product to four states. Product is stored and stacked in various places. We've done a good job identifying the cartons, but identifying the cases in the new wrapping is a problem, as they are mixed together with thousands of cases of other brands. Presently, new cases of cigarettes are either stacked on their sides or are stacked deep in an outside trailer. Stored in this manner, the cases' letter code cannot be easily seen. I believe that color flagging the cases on all six sides would be a big timesaver in allowing me to more easily and quickly identify the cases I need. Also, regarding rotation, if all future product is to come in the new wrapping, a greater lead time would provide for a better rotation scheme for our brands.

### REPLY

Color coding cases of cigarettes is a good idea and is being considered, especially for the new Camel Cash cases. If Camel Cash is extended, the cases will be colored blue for easier identification and rotation.

Regarding your statement on rotation, on the Winston and Salem Wrap introductions, there was approximately an 8- to 10-week leadtime provided, prior to down-the-street, for product to begin moving through the distribution channel. This timing is currently the most realistic, due to security and minimizing inventory for excise tax payments.

### COMMENT

I continue to have problems reading the code dates on the Winston and Salem Wrap cartons. Rotation is very difficult and time consuming.

### REPLY

This is a frequent comment and we are well aware of the problem. Efforts are underway to include ink in code stamping the cartons. We are currently testing this procedure and anticipate using it later this year.

### COMMENT

I would like to eliminate the form 7101 and be able to make all contract changes in the Hand-Held.

### REPLY

The current Hand-Held does not possess adequate memory to make contract changes. We are in the process of evaluating the benefits of replacing current Hand-Held units with a more powerful version. These new units would contain increased memory and screen size, allowing such things as adding new accounts and updating contract files.

### COMMENT

Some of my retailers have displayed great concern with our new coupon redemption policy which does not pay the mailing insurance. They feel they should not be responsible for this expense and are uncomfortable about sending uninsured coupons in the mail. This could lead to problems in the future with retailers refusing to accept coupons.

### REPLY

The Coupon Redemption Center postage policy is currently being revised to include reimbursement for insurance, based on postal service insurance tables. All retailers who have contacted the CRC will be notified of the change. No reimbursement will be made for past adjustments. The CRC management team is committed to finding ways to better accommodate both our retailers and our company's needs.

### COMMENT

Why don't we have the Fresh Wrap on Salem Custom Case Box?

### REPLY

We are working with a supplier to develop wrap material to custom fit the Salem Custom Case Box.

### COMMENT

I have had many consumers tell me they don't think we are going to send the premiums ordered with our pack UPC codes or Camel C notes. Some tell me they get a card explaining out-of-stocks. Other consumers tell me they hear nothing. We need an 800 number for these people to call and improve our turnaround time in sending out these premiums.

### REPLY

We have received numerous comments referring to this situation, and quite frankly, we have not yet resolved all the issues associated with delivery of items ordered from the Camel Cash catalog. However, we are working to fulfill all orders, and if we are not able to ship an order within four weeks, we send customers an out-of-stock notice. This notice does have an 800 number which the customer may call if he or she has further questions. We also have an 800 number printed on the side of the Camel pack for customer questions about premium orders or any other concerns they may have.

For the long term, we are working to improve premium delivery time. The company is taking steps to provide the resources to oversee our Camel Cash, Winston Winners and other similar programs.

### COMMENT

Our Camel regular customers are getting increasingly upset because we don't include Camel Regular in any promotions or coupon offers. Shouldn't we treat people who smoke Camel Regular to a coupon once in a while?

### REPLY

We haven't forgotten about these important customers. We are exploring several alternatives to allow Camel Regular customers to participate in a promotional program, with special offers designed just for them.

### COMMENT

I have many stores asking for "It's the Law" decals or buttons. RJR could use this method as a way to prominently display our logo and our position on underage smoking.

### REPLY

The Tobacco Institute publishes a brochure entitled, "A Signage Program for Retailers/It's The Law." This brochure talks about the program and offers storefront and window display signs and P-O-S materials, lapel buttons, employee acknowledgement forms, and state-specific brochures describing the program and applicable laws. Copies of the brochure can be ordered from Public Affairs by contacting Herb Osmon at (919) 741-0619. Sales representatives may then provide brochures to retailers who request materials.

Currently, the company will continue using The Tobacco Institute's materials rather than print them with the RJR logo.

### COMMENT

With the new wrap on Winston, it is very difficult to see the pack that has the complimentary "not for resale" written on it. Could the words be made bolder or more visible by going across the entire top or back?

### REPLY

We agree and steps have been taken to make the complimentary pack more easily identifiable at retail. The complimentary statement will again be printed on the inner closure seal of soft pack styles and will be printed directly on the box styles. The complimentary statement will also be maintained on the outside wrap to ensure gratis packs are easily identified with or without the wrap on the package. Product manufactured after the Winston Select B2G1F will incorporate these changes.

### COMMENT

New Camel Wides are presenting a stamping problem for direct accounts due to the amount of manpower hours involved. Only two packs of Camel Wides can currently be hand stamped at a time.

### REPLY

We understand and appreciate the extra time required to stamp the new Wides product by our direct accounts. We have increased the hand stamping allowance specifically for that reason.

Also, we have been working with the states to develop a new Wides tax stamp configuration, as well as exploring several creative solutions submitted by two division managers on the West Coast—Russell Bicknell, Sacramento, Calif., division, and Tom Hartman, Spokane, Wash., division.

## How Safe Are Your Turns?

According to the National Safety Council, intersections rate as one of the most common places for collisions to occur, even more so than speeding or following too closely. Here for your review are some tips on safe turns, provided by the Council.

### ADVERTISE YOUR TURNS.

Turn signals let other drivers know what you're going to do.

- Engage turn signal approximately 100 feet before an intersection.
- Check rear and side view mirrors before changing lanes.
- Check blind spots.
- Be in the proper lane before the intersection.

### LEFT-TURN LESSONS.

Don't take chances; if in doubt, wait.

- While stopped in an intersection, keep front wheels aimed straight ahead.
- If oncoming car has left-turn signal blinking, wait for the driver to commit to the turn before starting to turn.

### WHO'S RIGHT?

Always be prepared to yield the right-of-way regardless of the situation.

- Yield to the driver arriving first at the intersection.
- If all drivers arrive simultaneously, yield to the driver on the right.
- If there is still confusion, wave on the other driver.

### RIGHT ON RED.

Some states permit right turns on red lights.

- If permitted, always stop and yield to traffic and/or pedestrians.
- Stay close to the curb before beginning the turn.

### BLIND TURNS; BAD NEWS.

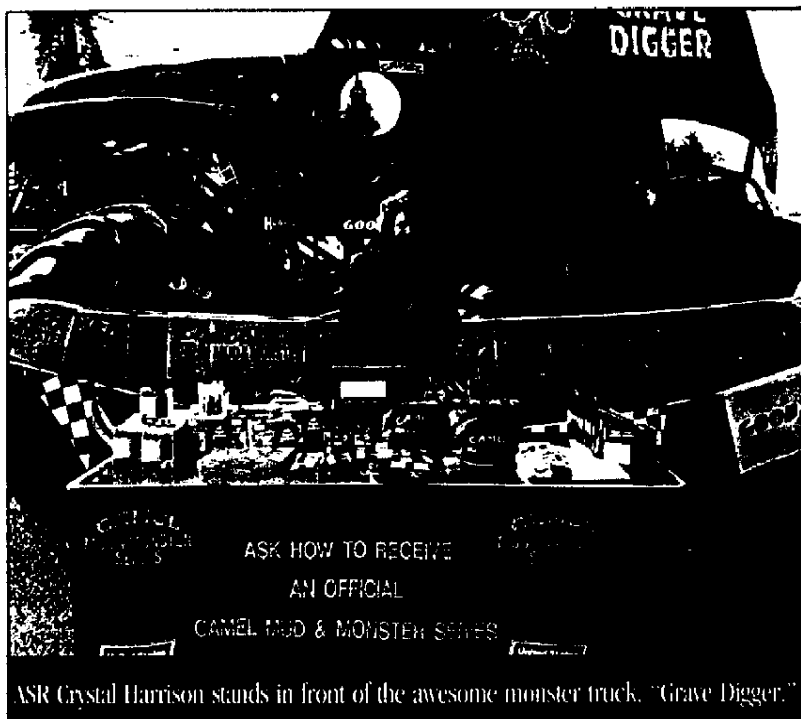
Blind intersections, such as alleys or streets on narrow, curving roads, are especially hazardous where you can't see cross traffic.

- Inch forward into the intersection.
- Honk to warn anyone approaching.



# On Target


## Monster Truck Draws Attention and Sales



ASR Crystal Harrison stands in front of the awesome monster truck, "Grave Digger."

Area Sales Representative Crystal Harrison, of the San Jose, Calif., division, thinks that football players are the human equivalent of monster trucks. As she sees it, they have much in common. Both monster trucks and football players are hard-hitting, and the dirtier the conditions, the better these steel-nerved and steel-framed machines seem to like it.

So when Harrison heard about the upcoming Camel Mud and Monster Show, she immediately thought of Jim Otto, former center for the Oakland Raiders and owner of OO Liquor in Hayward, Calif. She easily sold Otto on allowing her to set up an outside display, complete with the Monster Truck, "Grave Digger."

The display attracted much attention and increased store sales by 50 cartons. In fact, additional product was picked up from the warehouse three times that day. Consumers purchasing an RJR brand received a premium. 


## RJR Presence Preferred in Loaf 'N Jug Chain

Special Accounts Manager Samra Neer, of the Denver, Colo. chain division, has brought new meaning to the phrase, "a loaf of bread and a jug of wine," and it isn't romance. Neer showcased her talent by selling the 67-store chain, Loaf 'N Jug, the Preferred Presence Program and securing separate Dorland lighted display, lighted PCD, and Preferred Presence platform floorstand. She introduced Sterling and secured a 50-carton plus-out to all 67 stores during the week of December 26, 1991. This is especially noteworthy because Sterling had previously been rejected by this chain.

Understanding the finer points of our

private label strategy and persistence helped Training and Development Manager Dave Thelen and Area Sales Representative Bruce Baird make a strategic Best Value sale. After six formal presentations over a four-month period, Thelen and Baird convinced Associated Foods - Boise to carry Best Value. Projections indicate this sale will produce 1,000 additional cases shipped annually. They also sold Best Value to the M&W eight-store chain, which is the largest single customer of Associated Foods. M&W will take advantage of the Forsyth Tobacco Products feature program and a four-foot exclusive savings center for Sterling and Best Value.

## Holiday Creativity Impacts Volume

In the Charleston, S.C., division, Retail Representative Hampton Lucas likes the personal touch, especially when it drives up RJR's volume. Early in December, he set up a Christmas display in Kroger #6 in Surfside Beach, S.C. With \$3 Winston coupons and \$4 Salem coupons, Lucas used milk crates and cases, wrapped in Christmas paper, to hold the product. To complete the holiday theme, he added a two-foot tree on top, decorated with packs of Winston, Winston Lights, Salem, Salem Lights, and Salem Ultra Lights. The display sold over 300 cartons in 11 days. 

# Sales Blitz Nets East Cleveland Gains

The blitz is on . . . and it's not the Washington Redskins defensive line! The East Cleveland Division mounted a year-end merchandising blitz and attacked competitive strongholds with outstanding results.

Area Sales Representative Ron Mandolin sold Bruce's Fine Foods on replacing a competitive savings center with RJR's, along with an RJR carton merchandiser and UPM.

Mandolin used RJR's strong market share and an increase in total payments as the basis to make the change.

Area Sales Representative John DeRose was successful in selling Chapeldale IGA and North Ridge IGA on replacing competitive savings centers and package fixtures with RJR's. DeRose relied on his 20-plus years' experience to tailor a presentation

that maximized dollars while adjusting inventory to the brands that sell.

Area Sales Representative Phyllis Stark sold Tam's Sparkle on replacing PM's springload with a UPM and repositioning an ECD to a better location. When she was asked how she achieved these results, Stark said, "Service and quality of fixtures were key, along with multiple presentations." ☞

## News Briefs



### WASTE BUSTERS UPDATE

#### Waste Buster Task Force Recommends Changes in Home Office

On January 29, 1992, an internal Waste Buster Task Force, led by Mary Bowdish, director, brand promotion operations, was formed. Their task was to identify non-essential tasks within the company in such areas as policies, procedures, controls, reporting and tracking.

On March 18, they presented their recommendations to the steering committee, comprised of Jim Schroer, executive vice president, marketing and sales; Dave Anderson, executive vice president, finance and administration and chief financial officer; Ken Lapiejko, vice president, financial planning, marketing and sales finance; Yancey Ford, executive vice president, sales; Dave Iauco, senior vice president, marketing; Bob Gordon, senior vice president, personnel; and Bob Coil, vice president, account and financial services.

Seven key recommendations were proposed and unanimously approved by the committee members.

- Elimination of verifying individual spending limit authorizations for each requisition by Purchasing;

- Simplification and clarification of the DM

letter approval process;

- Elimination of daily "hours worked" logs, filled out by exempt employees;

- Elimination of internal resumes;

- Modification of drop-ship procedures to eliminate paper and use EDI (Electronic Data Interchange);

- Reduction and streamlining of status report procedures;

- Reduction of meeting time and improvement of the productivity of meetings.

Bowdish talked about the importance of the accomplishments of the Task Force. "These initiatives should save the company many hours, and allow employees to reallocate that time saved towards more effective management time and improved field support. However, the challenge of combating unnecessary administrative and/or bureaucratic waste requires everyone's vigilance. I encourage everyone to develop and maintain a waste buster attitude. As we eliminate out-moded practices which steal our time, our productivity increases. And that's a win/win situation for both the company and the employee," says Bowdish. ☞

### St. Paul & Milwaukee Divisions Share Credit for Part-Time Merchandising Coordinator Position

Utilizing the resources of a part-time sales force helps RJR achieve its retail objectives. Managing part-timers to gain maximum input at retail is important in the operation of a division.

The St. Paul and Milwaukee divisions developed the idea of a "merchandising coordinator" position. This concept placed responsibility for ordering, scheduling and fixture installation requests with the part-time merchandising coordinator. After a successful test of the new position, Field Managers Jay Girard and Jim Petri prepared a job description for merchandising coordinator, and sent it to Winston-Salem for possible implementation nationwide. The position was adopted for all divisions in a letter sent to the field on February 18, 1992.

Area Vice President Pat Cundari credits his managers' initiative and the positive response from Winston-Salem in developing the position. "This action shows that field input and ideas are acted upon when they are well thought out, evaluated and communicated," Cundari said. ☞

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# On Target



The Tuxedo Joe bust, complete with menu board, helped nightclub patrons in Charleston, S.C. keep tuned to Camel Night promotions. (Above photo shows Tuxedo Joe greeting customers at the company's sundries shop in the RJR Plaza Building.)

## Smooth Moves in the Charleston Division

In Charleston, S.C., division, Special Accounts Manager Debbie Sizemore has arranged for the introduction of a new man-about-town—Tuxedo Joe. This debonair relative of Old Joe has shown up in some popular nightspots, from Savannah, Ga. to Myrtle Beach, S.C.

For a classy guy like Tuxedo Joe, a proper introduction was essential. Therefore, Area Sales Representative Don Rader arranged for placement in Hollywood, Spanky's and Shuckers, which are Savannah's most popular nightclubs.

Area Sales Representative Bill Slaughter handled introductions in Charleston, arranging placements in the Charleston Sports Bar, T-Bone's/Downtown, Jukebox, Original Sports Bar, Sports-Summerville, and Windjammer.

Finally, Sales Representative Mitch Penny arranged placements in Myrtle Beach, at the Spanish Galleon, Players Sports Lounge and Mother Fletchers.

The total sign placement comes to 13 for the Charleston division. Sizemore feels that all of these nightclubs offer great

opportunities for Tuxedo Joe to practice his "smooth moves." And the contracts for each Camel Joe sign guarantees RJR advertising on the menu board if a Camel night promotion is held in any of these locations.

And what does this smooth man-about-town think about all this excitement over his introduction? "It was a natural because these clubs are the kinds of places where a cool pack of guys, like me and my friends, naturally gravitate." ☞



# The Masters...The British Open... The Spring Scramble?

*The Spring Scramble and Texas Cup Tournament may not be as prestigious as the Masters or the British Open. But, from a standpoint of name recognition, these tournaments are known from New Mexico to Florida by RJR sales personnel who look forward to the competition, the fellowship and the fun provided by these two events.*


A sense of anticipation hangs in the air. Could it be spring? Could it be income tax season? Well, yes, but also, it's almost time for another Spring Scramble.

The Spring Scramble grew out of the Texas Cup Tournament, started by Mid-Continent P&P Manager Mike Buckler and Austin, Texas, Division Manager Paul Letourneau as a morale builder in the regions and divisions of Texas. The first tournament was held in September 1986 and had 31 participants. The Lubbock, Texas,

division won that tournament and took the Texas Cup to West Texas.

The popularity of the Texas Cup has increased and divisions from New Mexico, Louisiana and Oklahoma have sent teams to compete for the last two years. In fact, because of interest, the Texas Cup Committee—Cliff Edwards, Corpus Christi, Texas, division; John Rutledge, Dallas, Texas, division; Todd Mares, Shreveport, La., division; Dick Turman, Abilene, Texas, division; and Paul Letourneau, Austin, Texas, division—decided to approve a second tournament each year. The group voted to have the fall Team Cup Tournament, which is a team best ball, and a Spring Scramble Tournament that would open the play up to first-time, less proficient golfers. The Spring Scramble is not a division event but a blind draw for teams the day before the event.


There have now been six Cup Tournaments and three Scrambles with as many as

72 golfers from 21 regions and divisions. Sales representatives, division managers and regional managers have all participated in these events. Paul Letourneau, the coordinator/host of the Texas Cup, commented that "all it takes is one birdie putt to forget about all those double bogies. Everyone who has participated really looks forward to these two weekends every year. Players come from Tennessee, Florida, New Mexico, Oklahoma, Louisiana, and of course, all over Texas." He welcomes anyone who wants to participate in the golf outings. 



## News Briefs

What do an old-fashioned cash register and state-of-the-art merchandising fixtures have in common?

Senior Chain Accounts Manager Jim Morris (left), of the Philadelphia, Pa., chain division, will be quick to point out that this statement is definitely not the lead-in for a joke. He, along with Philadelphia Regional Manager Jack Renehan (center), recently presented this Golden Cash Register to Acme Markets' Executive Vice President Patrick Curran, in celebration and commemoration of Acme's 100th Anniversary. Prior to January 1991, competition had blocked RJR's fixtures for five years. However, Morris was successful in selling the 270-store chain RJR's springload package fixtures and removing competitive fixtures. And the sound of that ring is sweet success! 



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# PROMOTIONS & APPOINTMENTS



**Mary Bowdish** has been promoted to director, brand promotion operations, in the Home Office Sales Department.

Bowdish joined the company in 1975 in the Customer Services Department. In 1979, she was promoted to manager, consumer promotion fulfillment, at the Coupon Redemption Center. In 1984, she joined the Promotion group as promotion manager for the Now brand and later assumed responsibility for the Winston brand. She moved to the RJR Development Company in 1988, working on the Premier brand.

In 1989, Bowdish re-joined the Promotion group as manager, brand promotion operations.

**Ronald Grout** has been promoted to national manager, merchandising, in the Home Office Sales Department.

Grout joined the company in 1982 as a sales representative in the Raleigh, N.C., division, where he was promoted to area sales representative the following year. In 1986, he was promoted to assistant division manager in the Macon, Ga., division. Grout was promoted to division manager in the Daytona Beach, Fla., division in 1987. In 1990, he was promoted to area manager, national accounts, on the North Atlantic sales area staff.



**Neal McCleary** has been promoted to chain accounts manager in the Columbus, Ohio, chain division.

McCleary joined the company in 1969 as a sales representative in the Akron, Ohio, division, where he was promoted to area sales representative in 1972. He was promoted to area manager,

merchandising, in the Pittsburgh chain division in 1978, and was named assistant division manager of the North Pittsburgh division in 1980. In 1982, he was promoted to division manager in the Columbus, Ohio, division.



**Maude Bledsoe** has been promoted to promotion manager, savings, in the Home Office Sales Department. She was assistant promotion manager, brand promotion operations.



**Bill Brown** has been promoted to senior manager, warehouse operations, in the Home Office Sales Department. He was sales materials logistics manager, warehouse operations.



**Mark Garner** has been promoted to promotion planning systems manager in the Home Office Sales Department. He was programmer/analyst III.



**Chris Minner** has been promoted to sales systems manager in the Home Office Sales Department. He was lead sales systems analyst.



**Gary Overfelt** has been promoted to senior manager, P-O-S/work plan operations, in the Home Office Sales Department. He was manager, P-O-S/work plan operations.



**Jonnie Shore** has been promoted to promotions assistant, brand promotion operations, in the Home Office Sales Department. She was communications assistant.



**Wanda Snow** has been promoted to assistant manager, P-O-S/work plan operations, in the Home Office Sales Department. She was senior office assistant.



**Michelle Soyars** has been promoted to senior promotion assistant in the Home Office Sales Department. She was promotion production assistant.



**Frank Vestal** has been promoted to administrative assistant, trade development, in the Home Office Sales Department. He was military vending coordinator.

**Martin Brander** has been promoted to military sales manager in the Riverside, Calif., division. He was area sales representative in the Riverside division.

**Timothy Carpenter** has been promoted to training and development manager in the Charleston, S.C., division. He was area sales representative in the Knoxville, Tenn., division.

**Bill Caya** has been promoted to training and development manager in the North Los Angeles, Calif., division. He was special accounts manager in the Riverside, Calif., division.



**Sharon Cordell** has been promoted to division manager in the Columbus, Ohio, division. She was training and development manager in the Lexington, Ky., division.



**Kevin Delury** has been promoted to division manager in the Indianapolis, Ind., division. He had been training and development manager in the Albany, N.Y., division.

**Christine Favre** has been promoted to training and development manager in the New Orleans, La., division. She was territory representative in the Jackson, Miss., division.

**Dan Griffiths** has been promoted to special accounts manager in the Green Bay, Wis., division. He was training and development manager in the Green Bay division.

**Sheldon Idso** has been promoted to training and development manager in the Green Bay, Wis., division. He was special accounts manager in the Green Bay division.

**John Kerigan, Jr.**, training and development manager, has transferred to the Tampa, Fla., division from the Clearwater, Fla., division.

**Andrew King** has been promoted to assistant division manager in the Omaha, Neb., division. He was area sales representative in the Indianapolis, Ind., division.

**Kathy McClain** has been promoted to training and development manager in the Riverside, Calif., division. She was military sales manager in the Riverside division.

**Carlos Mendoza** has been promoted to special accounts manager in the Miami, Fla., division. He was area sales representative in the Houston, Texas, division.

**Toni Musante** has been promoted to special accounts manager in the San Francisco, Calif., chain division. She was special resource manager in the Oakland, Calif., division.

**Jeffrey Pedersen** has been promoted to training and development manager in the North Phoenix, Ariz., division. He was area sales representative in the Eugene, Ore., division.

**Margaret Smith** has been promoted to training and development manager in the Raleigh, N.C., division. She was assistant division sales manager in the Raleigh division.

**Theodore Starks** has been promoted to special accounts manager in the Oakland, Calif., division. He was retail representative in the Oakland division.

**William Ward** has been promoted to division manager of the Knoxville, Tenn., division. He was training and development manager of the North Atlanta, Ga., division.

#### TO SECRETARY—FIELD SALES

**Catherine Norris**

*North Dallas, Texas, district*

**Annette Rodgers**

*South Dallas, Texas, district*

**Donna Walker**

*North Dallas Mid-Cities, district*

## PSST! Wanna Win a Camel?



Not just an ordinary Camel, but one with class and distinction—kinda like me. Baccarat crystal to be exact.

All you gotta do is rename the Sales Training Entry Program (STEP). Since training and development is updating this

course, the name, STEP, no longer applies. This revised course is also being used as a tool for new and experienced sales representatives. They've tied in Account Specific Marketing concepts, too.

So, come up with a cool name, fill out the entry form below and send it to:

Bob Snow

Training and Development Department

8th Floor, Reynolds Building

P.O. Box 2959

Winston-Salem, N.C. 27102

Tom Renehan, along with the training and development group, will pick the winner, who will be announced in an upcoming issue of the Sales Merchandiser.

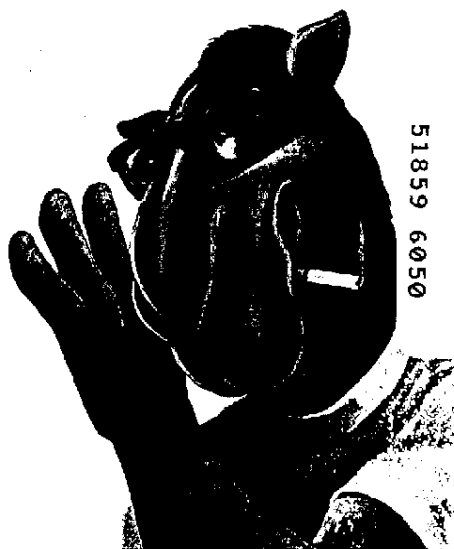
Don't delay. Entries must be received by June 12, 1992.

Name: \_\_\_\_\_

Division: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

I think that the STEP program should be renamed: \_\_\_\_\_



51859 6050

# KEY TO SUCCESS



Going back to school to learn new skills will put you at the head of the class. The sidwinder's been selling from the old school while you are diligently learning how to identify marketing strategies. Guess who's going to stay after class?

From Account Specific Marketing Training to Sales Negotiations and on to Business Planning and Account Development, you'll definitely make the grade in your calls. Your new-found knowledge, together with street-smarts, will put you light-years ahead of the competition. You'll earn the reward you deserve and the company will benefit from your success.

The keys to success? The right training tools supplied by RJR and your experience will earn you an A+.

Let the sidwinder sit on his laurels and be the "dummy". Training with RJR pays.



FIRST CLASS  
U.S. POSTAGE  
PAID  
RJR

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